

Meeting Notes: June 3, 2004 Power Procurement Workshop

1 PM to 4:30 PM

- A. Last meeting's minutes were introduced and approved with no revisions.
- B. It was mentioned that the "Symposium Meeting" for the 22/23 was set, though there were problems with arranging for the market monitor speaker on that day.

There was a possibility that the presentations scheduled for June 14th would be moved so that the market monitor speaker could make a presentation.

- C. The ground rules for presentations were outlined:
 - 1. Each speaker will provide an overview of the "scenario" and the procurement method in that scenario. Clarifying questions would be entertained, but a general discussion would be reserved for after all the presentations. Pros and cons would be discussed at that point.
 - 2. Topics will be posted on the ICC website.
- D. Presentations:
 - 1. Michael Freeman from Exgen presented a Scenario 1 overview (Full Requirements Supply Product). See Power Point presentation/hand-out.
 - 2. Michael Brosius (Morgan Stanley) presented information of the NJ Auction as an example of a scenario 1 Full Requirements Supply Product procurement methodology. See Power Point presentation/hand out.
 - 3. Dave Brueggeman (Ameren) presented the Maryland Auction as a presentation of scenario 2 (Full requirements FRP). See Power Point presentation/hand out.
- E. Due to time constraints, participants were asked to e-mail their Pros and Cons comments (and answers with regard to the power procurement questions) on the presented scenarios to Commission Staff and David Vite by Thursday of next week. Pros and Cons will be discussed at the beginning of the next meeting (June 14th).
- F. Scenario #3 (CUB) is to be presented on the 28th

- G. Scenario #4 and #5 will be presented June 14th.
- H. Mario asked for opportunity to make a presentation on demand response—date unknown as of yet.
- I. General Discussion of Scenario 1 and 2.
 - 1. Would demand response act as capacity in the auction, or a reduced load obligation? Could it appear as a percentage requirement of capacity/load as green power is treated in the New Jersey auction? Discussion seemed to indicate that the percentage requirement would be the easiest to implement.
 - 2. Both scenarios/auctions would result in “multiple” tariffs, with peak/off peak, summer/winter, and class-based prices, despite the limited number of auction baskets.
 - 3. Concern was raised regarding the Maryland auction’s (as opposed to the New Jersey auction which does limit any one player’s share of the market) lack of limitation on the amount of power any one bidder could directly bring to the market (market power concerns).
- J. Due to time constraint, the discussion was cut short, to be continued at the next meeting.
- K. Scenario 5 will be presented, time permitting, at the next meeting (June 14th).
- L. The next meeting will be held at the Constellation New Energy Offices:
550 West Washington, Suit 300
Chicago, IL.